



**Testimony
Ralph Eno
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Before the Planning & Development Committee
Legislative Office Building
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Good afternoon Senator Coleman, Representative Sharkey and members of the Committee. Thank you for this invitation to participate in the Committee's well-timed discussion on municipal mandate relief. My name is Ralph Eno and I'm the First Selectman in the Town of Lyme. I'm here today as a representative for the Connecticut Council of Small Towns whose membership is comprised of rural and suburban communities with populations fewer than 30,000.

COST'S recently adopted legislative platform for this session includes several mandate relief initiatives some with no potential cost to the state and others which cannot be accomplished without some expense. I'll give you a capsule review of the seemingly easy ones first.

Repeal the mandate requiring that municipal web sites be compliant with provisions of the Freedom of Information Act.

Adherence to the act's strict timelines for the posting of agendas and minutes has proved difficult for many small and mid-sized communities. Compliance will likely necessitate the retention of paid IT staff as well as place increased burdens on in house volunteer staff. Further, general public access to government information was more than adequately protected by the statute before it was amended.

Repeal the In-School Suspension Mandate

The concept may be well intentioned but requiring school systems to initiate this mandate places a costly burden on towns. They will need to not only find space for the program but also hire additional staff to monitor students at a time when we are all bracing for anticipated cuts in state Education Cost Sharing aid.

Repeal the Property Storage Mandate

The State of Connecticut imposes a costly and unnecessary obligation on municipalities to remove and store personal property left by evicted tenants. There are an estimated 2,500 residential evictions per year with resultant storage costs running between \$15 - \$20 per day, per eviction. Costs can range from \$12,000 to \$165,000 per municipality for an average of 15 storage days. This is especially burdensome for small towns which do not have personnel to cope with this mandate. The property issue is the responsibility of landlords and tenants. Cities and towns have nothing to do with these civil matters. Please repeal the mandate.

Increase the Prevailing Wage Threshold on Municipal Public Works Projects to One Million Dollars and Index the Threshold to the Annual Inflation Rate

This mandate results in significantly higher costs for local public works projects. Prior to 1991, the legislature adjusted the prevailing wage schedule threshold on a six year cycle to ensure that smaller projects were exempt from the mandate. The present benchmarks, \$100,000 for renovation and \$400,000 for new construction, have not been adjusted in over fifteen years. COST advocates increasing the prevailing wage threshold to \$1million for both renovation and new construction and indexing these limits annually to compensate for inflationary pressures.

As for mandate relief which would have costs associated with remediation, COST has two key recommendations:

Reduce the reimbursement Threshold for Special Education Costs

Ever increasing Special Education costs and their attendant unpredictability represent a huge unfunded mandate for our towns. The Special Education Excess Cost Grant was designed to offset a municipality's exposure to unanticipated special ed costs but it doesn't kick in until those expenses reach 4.5 times a school system's previous year Net Current Expenditures Per Pupil. Cost advocates a reduction in this threshold to a maximum of two and one half times a school district's NCEP.

Exempt Municipal Health Insurance Policies from the Insurance Premium Tax

Local health insurance budget line items have been experiencing double digit increases for many years. Health insurance costs represent a significant and ever increasing portion of municipal budgets. Furthermore, towns are restricted in their ability to aggressively manage these costs by state statutes and practices. COST supports legislation which would exempt municipalities from the premium tax on health insurance policies and contracts. This would represent a significant savings to local taxpayers due to the size of the premiums being paid for this coverage.

Cost respectfully suggests some additional recommendations as safeguard measures.

Enact a Statutory Prohibition on Unfunded Mandates

Municipalities are over-reliant on the property tax to fund local services. Unfunded mandates pass through new costs directly to local property tax payers and they simply cannot bear any more. COST advocates a statutory ban on any new or enhanced mandates unless attended by full state funding to offset local government implementation expense. Barring this step, COST advocates

Reinstatement of the Provision Requiring Public Hearings on Unfunded Mandates.

A law requiring committees to hold public hearings on mandates referred to them by the Connecticut Advisory Commission on Intergovernmental Relations was repealed in 1997. COST believes this is an important oversight mechanism critical to revealing the true impact of unfunded mandates and perhaps limiting the number actually enacted.

Finally, the mandated increase in periodic revaluations that must be conducted by municipalities needs meaningful reform and in the short term towns facing costly revals in the upcoming fiscal year ought to be granted waivers if so requested. It also appears fairly certain that the legislature will attempt this session to mandate that all municipalities must establish local ethics commissions. This decision should be the exclusive province of local governments especially in light of the fact that the state does not have the moral high ground in this debate.

Thank you again for your time and consideration. COST looks forward to working with the Planning and Development Committee to enact meaningful mandate reform this session.

